

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1902 - HB 2039

February 18, 2020

SUMMARY OF BILL: Authorizes a woman to receive assistance for 12 months after the date the pregnancy ends if certain medical assistance eligibility requirements are met. Requires the Division of TennCare (Division), under both fee-for-service and managed care administration of medical assistance, to promulgate rules, amend any contract with a managed care organization, and apply for any Medicaid State Plan Amendment or waiver as may be necessary to provide continuous medical assistance eligibility for a woman for a 12 month postpartum period, if the woman applied for medical assistance coverage before the end of the woman's pregnancy, was determined eligible for medical assistance, and remains eligible for coverage during the month in which the woman's pregnancy ends.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$6,644,800/FY20-21 and Subsequent Years

Increase Federal Expenditures - \$12,828,800/FY20-21 and Subsequent Years

Assumptions:

- The Division currently covers pregnancy-related services for up to 60 days postpartum. Extending services to 12 months will require the Division to submit a waiver amendment to the Centers for Medicare and Medicaid Services (CMS), and if not approved, would require the expanded services to be covered by all state funds.
- This analysis assumes the waiver amendment will get approved by CMS and will receive matching funds at a rate of 34.122 percent state funds to 65.878 percent federal funds.
- The recurring increase in expenditures is estimated to be \$19,473,500. Of this amount \$6,644,748 ($\$19,473,500 \times 34.122\%$) will be in state funds and \$12,828,752 ($\$19,473,500 \times 65.878\%$) will be in federal funds.

IMPACT TO COMMERCE:

Increase Business Revenue - \$19,473,500/FY20-21 and Subsequent Years

**Increase Business Expenditures – Less than
\$19,473,500/FY20-21 and Subsequent Years**

Assumptions:

- Healthcare providers that provide pregnancy-related services will experience an increase in business revenue for providing services estimated to be \$19,473,500.
- For companies to retain solvency, any increased expenditures will be less than the amount of increased revenues collected. Therefore, the increase in business expenditures is estimated to be less than \$19,473,500.
- Any impact to jobs is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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